

# House Amendment 1558

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1 1 Amend House File 683 as follows:  
1 2 #1. Page 1, by striking line 2 and inserting the  
1 3 following: 1 4 AUTHORITY  
1 5 Section 1. Section 8.57, subsection 5, paragraph  
1 6 e, Code 2003, is amended to read as follows:  
1 7 e. Notwithstanding provisions to the contrary in  
1 8 sections 99D.17 and 99F.11, for the fiscal year period  
1 9 beginning July 1, 2000, ~~and for each fiscal year~~  
~~1 10 thereafter, 2003, and ending June 30, 2005, not more~~  
1 11 than a total of sixty million dollars shall be  
1 12 deposited in the general fund of the state in any  
1 13 fiscal year pursuant to sections 99D.17 and 99F.11;  
~~1 14 for the fiscal period beginning July 1, 2005, and~~  
~~1 15 ending June 30, 2030, not more than a total of sixty~~  
~~1 16 million dollars of the moneys directed to be deposited~~  
~~1 17 in the general fund of the state in a fiscal year~~  
~~1 18 pursuant to sections 99D.17 and 99F.11 shall be~~  
~~1 19 deposited in the Iowa values fund created in section~~  
~~1 20 15G.105 in any fiscal year; and for the fiscal year~~  
~~1 21 beginning July 1, 2030, and for each fiscal year~~  
~~1 22 thereafter, not more than a total of sixty million~~  
~~1 23 dollars shall be deposited in the general fund of the~~  
~~1 24 state in any fiscal year pursuant to sections 99D.17~~  
~~1 25 and 99F.11.~~ The next fifteen million dollars of the  
1 26 moneys directed to be deposited in the general fund of  
1 27 the state in a fiscal year pursuant to sections 99D.17  
1 28 and 99F.11 shall be deposited in the vision Iowa fund  
1 29 created in section 12.72 for the fiscal year beginning  
1 30 July 1, 2000, and for each fiscal year through the  
1 31 fiscal year beginning July 1, 2019. The next five  
1 32 million dollars of the moneys directed to be deposited  
1 33 in the general fund of the state in a fiscal year  
1 34 pursuant to sections 99D.17 and 99F.11 shall be  
1 35 deposited in the school infrastructure fund created in  
1 36 section 12.82 for the fiscal year beginning July 1,  
1 37 2000, and for each fiscal year thereafter until the  
1 38 principal and interest on all bonds issued by the  
1 39 treasurer of state pursuant to section 12.81 are paid,  
1 40 as determined by the treasurer of state. The total  
1 41 moneys in excess of the moneys deposited in the  
1 42 general fund of the state, the Iowa values fund, the  
1 43 vision Iowa fund, and the school infrastructure fund  
1 44 in a fiscal year shall be deposited in the rebuild  
1 45 Iowa infrastructure fund and shall be used as provided  
1 46 in this section, notwithstanding section 8.60.  
1 47 If the total amount of moneys directed to be  
1 48 deposited in the general fund of the state under  
1 49 sections 99D.17 and 99F.11 in a fiscal year is less  
1 50 than the total amount of moneys directed to be  
2 1 deposited in the Iowa values fund, the vision Iowa  
2 2 fund, and the school infrastructure fund in the fiscal  
2 3 year pursuant to this paragraph "e", the difference  
2 4 shall be paid from lottery revenues in the manner  
2 5 provided in section 99E.10, subsection 3.  
2 6 Sec. \_\_\_\_\_. NEW SECTION. 12.91 GENERAL AND  
2 7 SPECIFIC BONDING POWERS == IOWA VALUES PROGRAM.  
2 8 1. The treasurer of state may issue bonds for the  
2 9 purpose of funding the Iowa values fund created in  
2 10 section 15G.105. The treasurer of state shall have  
2 11 all of the powers which are necessary to issue and  
2 12 secure bonds and carry out the purposes of the fund.  
2 13 The treasurer of state may issue bonds in principal  
2 14 amounts which are necessary to provide sufficient  
2 15 funds for the Iowa values fund, the payment of  
2 16 interest on the bonds, the establishment of reserves  
2 17 to secure the bonds, the costs of issuance of the  
2 18 bonds, other expenditures of the treasurer of state  
2 19 incident to and necessary or convenient to carry out  
2 20 the bond issue for the fund, and all other  
2 21 expenditures of the board necessary or convenient to  
2 22 administer the fund. The bonds are investment  
2 23 securities and negotiable instruments within the  
2 24 meaning of and for purposes of the uniform commercial  
2 25 code.

2 26 2. Bonds issued under this section are payable  
2 27 solely and only out of the moneys, assets, or revenues  
2 28 of the Iowa values fund and any bond reserve funds  
2 29 established pursuant to section 12.92, all of which  
2 30 may be deposited with trustees or depositories in  
2 31 accordance with bond or security documents and pledged  
2 32 to the payment thereof. Bonds issued under this  
2 33 section shall contain on their face a statement that  
2 34 the bonds do not constitute an indebtedness of the  
2 35 state. The treasurer of state shall not pledge the  
2 36 credit or taxing power of this state or any political  
2 37 subdivision of the state or make bonds issued pursuant  
2 38 to this section payable out of any moneys except those  
2 39 in the Iowa values fund.

2 40 3. The proceeds of bonds issued by the treasurer  
2 41 of state and not required for immediate disbursement  
2 42 may be deposited with a trustee or depository as  
2 43 provided in the bond documents and invested or  
2 44 reinvested in any investment as directed by the  
2 45 treasurer of state and specified in the trust  
2 46 indenture, resolution, or other instrument pursuant to  
2 47 which the bonds are issued without regard to any  
2 48 limitation otherwise provided by law.

2 49 4. The bonds shall be:

2 50 a. In a form, issued in denominations, executed in  
3 1 a manner, and payable over terms and with rights of  
3 2 redemption, and be subject to the terms, conditions,  
3 3 and covenants providing for the payment of the  
3 4 principal of, redemption premiums, if any, interest  
3 5 which may be fixed or variable during any period the  
3 6 bonds are outstanding, and such other terms and  
3 7 conditions as prescribed in the trust indenture,  
3 8 resolution, or other instrument authorizing their  
3 9 issuance.

3 10 b. Negotiable instruments under the laws of the  
3 11 state and may be sold at prices, at public or private  
3 12 sale, and in a manner, as prescribed by the treasurer  
3 13 of state. Chapters 73A, 74, 74A, and 75 do not apply  
3 14 to the sale or issuance of the bonds.

3 15 c. Subject to the terms, conditions, and covenants  
3 16 providing for the payment of the principal, redemption  
3 17 premiums, if any, interest, and other terms,  
3 18 conditions, covenants, and protective provisions  
3 19 safeguarding payment, not inconsistent with this  
3 20 section and as determined by the trust indenture,  
3 21 resolution, or other instrument authorizing their  
3 22 issuance.

3 23 5. The bonds are securities in which public  
3 24 officers and bodies of this state, political  
3 25 subdivisions of this state, insurance companies and  
3 26 associations and other persons carrying on an  
3 27 insurance business, banks, trust companies, savings  
3 28 associations, savings and loan associations, and  
3 29 investment companies; administrators, guardians,  
3 30 executors, trustees, and other fiduciaries; and other  
3 31 persons authorized to invest in bonds or other  
3 32 obligations of the state, may properly and legally  
3 33 invest funds, including capital, in their control or  
3 34 belonging to them.

3 35 6. Bonds must be authorized by a trust indenture,  
3 36 resolution, or other instrument of the treasurer of  
3 37 state.

3 38 7. Neither the resolution, trust indenture, nor  
3 39 any other instrument by which a pledge is created  
3 40 needs to be recorded or filed under the Iowa uniform  
3 41 commercial code to be valid, binding, or effective.

3 42 8. Bonds issued under the provisions of this  
3 43 section are declared to be issued for a general public  
3 44 and governmental purpose and all bonds issued under  
3 45 this section shall be exempt from taxation by the  
3 46 state of Iowa and the interest on the bonds shall be  
3 47 exempt from the state income tax and the state  
3 48 inheritance and estate tax.

3 49 9. Subject to the terms of any bond documents,  
3 50 moneys in the Iowa values fund may be expended for  
4 1 administration expenses.

4 2 10. The treasurer of state may issue bonds for the  
4 3 purpose of refunding any bonds issued pursuant to this  
4 4 section then outstanding, including the payment of any  
4 5 redemption premiums thereon and any interest accrued  
4 6 or to accrue to the date of redemption of the

4 7 outstanding bonds. Until the proceeds of bonds issued  
4 8 for the purpose of refunding outstanding bonds are  
4 9 applied to the purchase or retirement of outstanding  
4 10 bonds or the redemption of outstanding bonds, the  
4 11 proceeds may be placed in escrow and be invested and  
4 12 reinvested in accordance with the provisions of this  
4 13 section. The interest, income, and profits earned or  
4 14 realized on an investment may also be applied to the  
4 15 payment of the outstanding bonds to be refunded by  
4 16 purchase, retirement, or redemption. After the terms  
4 17 of the escrow have been fully satisfied and carried  
4 18 out, any balance of proceeds and interest earned or  
4 19 realized on the investments may be returned to the  
4 20 treasurer of state for deposit in the Iowa values fund  
4 21 established in section 15G.105. All refunding bonds  
4 22 shall be issued and secured and subject to the  
4 23 provisions of this chapter in the same manner and to  
4 24 the same extent as other bonds issued pursuant to this  
4 25 section.

4 26 11. The treasurer of state shall have all of the  
4 27 powers which are necessary to issue and secure bonds,  
4 28 including but not limited to the power to procure  
4 29 insurance, other credit enhancements, and other  
4 30 financing arrangements, and to execute instruments and  
4 31 contracts and to enter into agreements convenient or  
4 32 necessary to facilitate financing arrangements with  
4 33 respect to the bonds and to carry out the purposes of  
4 34 the fund, including but not limited to such  
4 35 arrangements, instruments, contracts, and agreements  
4 36 as municipal bond insurance, self-insurance or  
4 37 liquidity trusts, accounts, pools or other  
4 38 arrangements, liquidity facilities or covenants,  
4 39 letters of credit, and interest rate agreements.

4 40 12. For purposes of this section and sections  
4 41 12.92 through 12.95, the term "bonds" means bonds,  
4 42 notes, and other obligations and financing  
4 43 arrangements issued or entered into by the treasurer  
4 44 of state and the term "interest rate agreement" means  
4 45 an interest rate swap or exchange agreement, an  
4 46 agreement establishing an interest rate floor or  
4 47 ceiling or both, or any similar agreement. Any such  
4 48 agreement may include the option to enter into or  
4 49 cancel the agreement or to reverse or extend the  
4 50 agreement.

5 1 Sec. NEW SECTION. 12.92 IOWA VALUES FUND  
5 2 ACCOUNTS AND RESERVE FUNDS.

5 3 1. The treasurer of state shall establish such  
5 4 accounts within the Iowa values fund created in  
5 5 section 15G.105 as may be appropriate, including debt  
5 6 service accounts for the purpose of paying the  
5 7 principal of, redemption premium, if any, and interest  
5 8 on bonds payable therefrom. Moneys in the debt  
5 9 service accounts shall not be subject to appropriation  
5 10 for any other purpose by the general assembly, but  
5 11 shall be used only for the purposes of paying the  
5 12 principal of, redemption premium, if any, and interest  
5 13 on the bonds payable therefrom.

5 14 2. Revenue for the Iowa values fund shall include,  
5 15 but is not limited to, the following, which shall be  
5 16 deposited with the treasurer of state or its designee  
5 17 as provided by any bond or security documents and  
5 18 credited to the debt service account:

5 19 a. The proceeds of bonds issued to capitalize and  
5 20 pay the costs of the fund and investment earnings on  
5 21 the proceeds.

5 22 b. Interest attributable to investment of moneys  
5 23 in the fund or an account of the fund.

5 24 c. Moneys in the form of a devise, gift, bequest,  
5 25 donation, federal or other grant, reimbursement,  
5 26 repayment, judgment, transfer, payment, or  
5 27 appropriation from any source intended to be used for  
5 28 the purposes of the fund or account.

5 29 3. a. The treasurer of state may create and  
5 30 establish one or more special funds, to be known as  
5 31 "bond reserve funds", to secure one or more issues of  
5 32 bonds issued pursuant to section 12.91. The treasurer  
5 33 of state shall pay into each bond reserve fund any  
5 34 moneys appropriated and made available by the state or  
5 35 treasurer of state for the purpose of the fund, any  
5 36 proceeds of sale of bonds to the extent provided in  
5 37 the resolutions or trust indentures authorizing their

5 38 issuance, and any other moneys which may be available  
5 39 to the treasurer of state for the purpose of the fund  
5 40 from any other sources. All moneys held in a bond  
5 41 reserve fund, except as otherwise provided in this  
5 42 chapter, shall be used as required solely for the  
5 43 payment of the principal of bonds secured in whole or  
5 44 in part by the fund or of the sinking fund payments  
5 45 with respect to the bonds, the purchase or redemption  
5 46 of the bonds, the payment of interest on the bonds, or  
5 47 the payments of any redemption premium required to be  
5 48 paid when the bonds are redeemed prior to maturity.

5 49 b. Moneys in a bond reserve fund shall not be  
5 50 withdrawn from it at any time in an amount that will  
6 1 reduce the amount of the fund to less than the bond  
6 2 reserve fund requirement established for the fund, as  
6 3 provided in this subsection, except for the purpose of  
6 4 making, with respect to bonds secured in whole or in  
6 5 part by the fund, payment when due of principal,  
6 6 interest, redemption premiums, and the sinking fund  
6 7 payments with respect to the bonds for the payment of  
6 8 which other moneys of the treasurer of state are not  
6 9 available.

6 10 Any income or interest earned by, or incremental  
6 11 to, a bond reserve fund due to the investment of it  
6 12 may be transferred by the treasurer of state to other  
6 13 funds or accounts to the extent the transfer does not  
6 14 reduce the amount of that bond reserve fund below the  
6 15 bond reserve fund requirement for it.

6 16 c. The treasurer of state shall not at any time  
6 17 issue bonds, secured in whole or in part by a bond  
6 18 reserve fund, if, upon the issuance of the bonds, the  
6 19 amount in the bond reserve fund will be less than the  
6 20 bond reserve fund requirement for the fund, unless the  
6 21 treasurer of state at the time of issuance of the  
6 22 bonds deposits in the fund from the proceeds of the  
6 23 bonds issued or from other sources an amount which,  
6 24 together with the amount then in the fund, will not be  
6 25 less than the bond reserve fund requirement for the  
6 26 fund. For the purposes of this subsection, the term  
6 27 "bond reserve fund requirement" means, as of any  
6 28 particular date of computation, an amount of money, as  
6 29 provided in the resolutions or trust indentures  
6 30 authorizing the bonds with respect to which the fund  
6 31 is established.

6 32 d. To assure the continued solvency of any bonds  
6 33 secured by the bond reserve fund, provision is made in  
6 34 paragraph "a" for the accumulation in each bond  
6 35 reserve fund of an amount equal to the bond reserve  
6 36 requirement for the fund. In order to further assure  
6 37 maintenance of the bond reserve funds, the treasurer  
6 38 of state shall, on or before January 1 of each  
6 39 calendar year, make and deliver to the governor the  
6 40 treasurer of state's certificate stating the sum, if  
6 41 any, required to restore each bond reserve fund to the  
6 42 bond reserve fund requirement for that fund. Within  
6 43 thirty days after the beginning of the session of the  
6 44 general assembly next following the delivery of the  
6 45 certificate, the governor shall submit to both houses  
6 46 printed copies of a budget including the sum, if any,  
6 47 required to restore each bond reserve fund to the bond  
6 48 reserve fund requirement for that fund. Any sums  
6 49 appropriated by the general assembly and paid to the  
6 50 treasurer of state pursuant to this subsection shall  
7 1 be deposited by the treasurer of state in the  
7 2 applicable bond reserve fund.

7 3 Sec. \_\_\_\_ NEW SECTION. 12.93 PLEDGES.

7 4 1. It is the intention of the general assembly  
7 5 that a pledge made in respect of bonds shall be valid  
7 6 and binding from the time the pledge is made, that the  
7 7 moneys or property so pledged and received after the  
7 8 pledge by the treasurer of state shall immediately be  
7 9 subject to the lien of the pledge without physical  
7 10 delivery or further act, and that the lien of the  
7 11 pledge shall be valid and binding as against all  
7 12 parties having claims of any kind in tort, contract,  
7 13 or otherwise against the treasurer of state whether or  
7 14 not the parties have notice of the lien.

7 15 2. The moneys set aside in a fund or funds pledged  
7 16 for any series or issue of bonds shall be held for the  
7 17 sole benefit of the series or issue separate and apart  
7 18 from moneys pledged for another series or issue of

7 19 bonds of the treasurer of state. Bonds may be issued  
7 20 in series under one or more resolutions or trust  
7 21 indentures and may be fully open-ended, thus providing  
7 22 for the unlimited issuance of additional series, or  
7 23 partially open-ended, limited as to additional series.  
7 24 Sec. \_\_\_\_\_. NEW SECTION. 12.94 LIMITATIONS.  
7 25 Bonds issued pursuant to section 12.91 are not  
7 26 debts of the state, or of any political subdivision of  
7 27 the state, and do not constitute a pledge of the faith  
7 28 and credit of the state or a charge against the  
7 29 general credit or general fund of the state. The  
7 30 issuance of any bonds pursuant to section 12.91 by the  
7 31 treasurer of state does not directly, indirectly, or  
7 32 contingently obligate the state or a political  
7 33 subdivision of the state to apply moneys, or to levy  
7 34 or pledge any form of taxation whatever, to the  
7 35 payment of the bonds. Bonds issued under section  
7 36 12.91 are payable solely and only from the sources and  
7 37 special fund and accounts provided in section 12.92.  
7 38 Sec. \_\_\_\_\_. NEW SECTION. 12.95 CONSTRUCTION.  
7 39 Sections 12.91 through 12.94, being necessary for  
7 40 the welfare of this state and its inhabitants, shall  
7 41 be liberally construed to effect its purposes.>  
7 42 #2. Page 5, by striking lines 9 through 13 and  
7 43 inserting the following:  
7 44 7 45 a separate and distinct fund in the state treasury.  
7 46 Moneys in the fund shall not be subject to  
7 47 appropriation for any other purposes by the general  
7 48 assembly, other than as provided in this Act, but  
7 49 shall be used only for the purposes of the Iowa values  
7 50 fund. The treasurer of state shall act as custodian  
8 1 of the fund and disburse moneys contained in the fund  
8 2 as directed by the Iowa values board, including  
8 3 automatic disbursements of funds received pursuant to  
8 4 the terms of bond indentures and documents and  
8 5 security provisions to trustees. The fund shall be  
8 6 administered by the Iowa values board, which shall  
8 7 make expenditures from the fund consistent with the  
8 8 purposes of this Act without further appropriation.  
8 9 Payments of interest, repayments of>.  
8 10 #3. Title page, line 2, by inserting after the  
8 11 word the following: 8 12 issuance of tax-exempt bonds,>.  
8 13 #4. By renumbering as necessary.  
8 14  
8 15  
8 16  
8 17 \_\_\_\_\_  
8 17 HOFFMAN of Crawford  
8 18 HF 683.718 80  
8 19 tm/cl